

DECISION RECORD AND FINDING OF NO SIGNIFICANT IMPACT
Warren Exploration and Production, Inc.
Double Eagle Petroleum Company
Anadarko Exploration and Production Company
Atlantic Rim Natural Gas Project
Doty Mountain Pod Environmental Assessment
No. WY-030-04-EA-027

INTRODUCTION

Warren Exploration and Production, Inc. (Warren), Double Eagle Petroleum Company (Double Eagle), and Anadarko Exploration and Production Company (AEPC), collective referred to as the Companies, have proposed to explore and potentially develop coalbed natural gas wells in the Doty Mountain Pod Project Area (DMPA) of the Atlantic Rim Natural Gas Project Area (ARPA) located in Carbon County, Wyoming. The DMPA is located, partly on federal surface estate with federal mineral estate administered by the Bureau of Land Management (BLM), Rawlins Field Office (RFO), and partly on private surface with private mineral estate. The proposed project is part of the exploratory drilling activities under consideration for the acquisition of data necessary to prepare the ARPA Environmental Impact Statement (EIS).

The Doty Mountain Pod project consists of the drilling, completing, and producing a total of 24 exploratory coalbed natural gas wells; the use of 2 deep injection wells; construction, maintenance, and use of appurtenant access roads, pipeline and utility corridors; and a compressor station. The DMPA encompasses approximately 1,920 acres. The life of the project is estimated to be from 10 to 20 years.

The DMPA is located in Township 17 North, Range 91 West, in Carbon County, Wyoming. Access to the DMPA is provided by Carbon County Road 608 (Wild Cow Road), from State Highway 789. The DMPA is located approximately 25 miles southwest of Rawlins and about 10 miles northeast of the intersection of State Highway 789 and Carbon County Road 608, near Doty Mountain.

ALTERNATIVES CONSIDERED

The environmental assessment (EA) for the ARPA, Doty Mountain Pod, considered two alternatives. The Proposed Action Alternative assessed and disclosed the projected effects of the Companies' proposal as outlined above and detailed in the "Proposed Action" portion of the environmental assessment. The "No Action" alternative assessed the effects of not implementing any portion of the proposal. Under the No Action Alternative, BLM would consider additional applications for permit to drill (APDs) and rights-of-way (ROWs) actions for federal lands on a case-by-case basis, consistent with the scope of existing environmental analysis. Additional gas development may occur on state and private land under APD approved by the Wyoming Oil and Gas Conservation Commission. This alternative provides a benchmark, enabling the decision-maker to compare the magnitude of the environmental effects of the alternatives.

Two other alternatives for access roads and market pipelines were considered but not analyzed. The Interim Drilling Policy (IDP) limits the placement of interim exploratory activities within the ARPA to areas where sensitive resources do not exist. The two alternatives did not comply with the IDP. These two alternatives may have affected, greater sage grouse leks and/or winter concentration areas, elk and mule deer crucial winter ranges, a prairie dog town, and possibly the Sands Hills ACEC. Further detail can be found in Chapter 2 of the EA.

Exploration activities are believed to be centered where the best geologic and hydrologic information could be gathered outside of sensitive resource areas.

DECISION

Based upon the analysis of the potential environmental impacts described in the EA and in consideration of the public, agency, and industry comments received for the environmental assessment, the Authorized Officer has selected the Proposed Action alternative to be implemented. The decision incorporates the Project-Wide Mitigation Measures and Procedures identified in Appendix C and the Conditions of Approval described in Appendix D.

APPROVED PROJECT COMPONENTS

- € development of 24 exploratory coalbed natural gas wells within the DMPA
- € completion of two deep water injection wells
- € construction of new access roads and facilities associated with coalbed natural gas
- € development, including gas gathering pipelines, water discharge pipelines, and power lines
- € buried parallel and adjacent (where possible) to access roads

RATIONALE FOR DECISION

The decision to approve the operator's proposed development was based upon the following factors:

1. Consistency with the Great Divide Resource Management Plan
2. National policy
3. Agency statutory requirements
4. Relevant resource and economic considerations
5. Application of measures to avoid or minimize environmental harm
6. Finding of no significant impact
7. Public comments
8. Consistency with the purpose and need for action

1. Consistency with Land Use and Resource Management Plans

The proposed action is in conformance with the planning direction developed for this area. The objective for oil and gas management decisions described in the Great Divide Resource Management Plan (1990) is to “provide for leasing, exploration, and development of oil and gas while protecting other resource values.”

2. National Policy

Private exploration and development of federal oil and gas leases is an integral part of the Bureau of Land Management’s oil and gas leasing program, under the authority of the Mineral Leasing Act of 1920 and the Federal Land Policy and Management Act of 1976. The United States continues to rely heavily upon foreign energy sources. Oil and gas leasing encourages development of domestic oil and gas reserves, and reduces the United States’ dependence upon foreign energy supplies. Therefore, the decision is consistent with national policy.

3. Agency Statutory Requirements

The decision is consistent with all federal, state, and county authorizing actions required to implement the proposed action. All pertinent statutory requirements applicable to this proposal were considered.

4. Relevant Resource and Economic Considerations

Environmental impacts from the pilot project to resources identified in the EA are minor and all deemed acceptable. Positive economic benefits are expected from this proposal. This project will allow increased knowledge of geologic, natural gas, and environmental conditions.

5. Application of Measures to Avoid or Minimize Environmental Harm

Federal environmental protection laws such as The Clean Air Act, The Clean Water Act, and The Historic Preservation Act apply to all lands and are included as part of the standard oil and gas lease terms. The adoption of the mitigation and monitoring measures identified in Chapters 2 and 4 of the project EA, and contained in Appendix C to this Decision Record, along with the Conditions of Approval found in Appendix D to the Decision Record, represent the best means to avoid or minimize environmental impacts.

6. Finding of No Significant Impact

Based upon review of the EA, the Authorized Officer has determined that the Proposed Action, with implementation of the protective measures identified in Appendix C and Conditions of Approval identified in Appendix D, would not cause a significant impact to the quality of the human environment. An Environmental Impact Statement is not necessary.

7. Public Comments

The BLM requested comments on this EA from the public; local landowners; and federal, state, county, and local agencies. The BLM released a press release with a brief summary of the proposed action, location of the project, and information about how the public could comment. A total of 25 copies of the EA were mailed out in response to requests by public, industries, or agencies via mail, phone, and walk-in visits. In addition, the EA and its appendices and reference documents were posted on the BLM Wyoming internet site for review and downloading. The comment period ran from October 20, 2003 to November 30, 2003. A total of six comments were received by the BLM. The summarized comments and BLM's responses are found in Appendix B of this document. Corrections and supplemental data for the EA are found in Appendix A.

8. Purposes and Need for Action

The purpose of the proposed development is to exercise the lease holders' rights within the project to drill for, extract, and market gas products. National mineral leasing policies and the regulations by which they are enforced recognize the statutory right of lease holders to develop federal mineral resources to meet continuing national needs and economic demands so long as undue and unnecessary environmental degradation is not incurred.

FINDING OF NO SIGNIFICANT IMPACT

Based on the analysis of potential environmental impacts contained in the EA, with implementation of the protective measures found in its appendices and the Doty Mountain Pod EA, this document, and comments received from public review, I have determined that the impacts from this project will not be significant and an environmental impact statement is not required.

APPEAL

Under BLM regulation this decision is subject to appeal. Under BLM regulation, this decision is subject to administrative review in accordance with 43 CFR 3165. Any request for administrative review of this decision must include information required under 43 CFR 3165.3(b) (State Director Review), including all supporting documentation. Such a request must be filed in writing with the State Director, Bureau of Land Management, P.O. Box 1828, Cheyenne, Wyoming 82003 within 20 business days of the date this Decision Record is received or considered to have been received.



Field Manager, Rawlins

February 6, 2004

Date